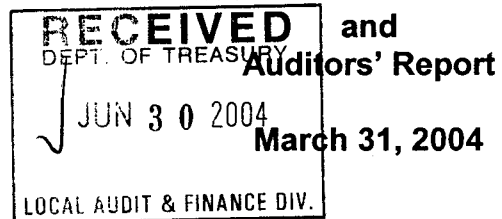


**BELVIDERE TOWNSHIP**

**Montcalm County, Michigan**

**Annual Financial Statements**



## AUDITING PROCEDURES REPORT

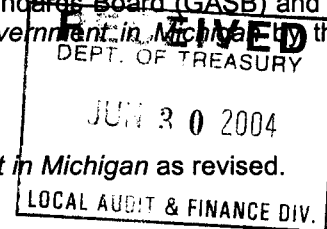
Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name Belvidere Township	County Montcalm
Audit Date March 31, 2004	Opinion Date May 12, 2004	Date Accountant Report Submitted to State: June 30, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* of the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.



We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable boxes for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ yes ☐ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL: 129/91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

### We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Reports on individual federal financial assistance programs (program audits).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Single Audit Reports (ASLGU).	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Certified Public Accountant (Firm Name) YEO & YEO PC, CPA's			
Street Address 7810 North Alger Road	City Alma	State MI	ZIP 48801
Accountant Signature <i>Gamie Rivette</i>			

**BELVIDERE TOWNSHIP**

**Annual Financial Statements  
and  
Auditors' Report  
March 31, 2004**

**Township Officials**

Larry Delamater

Supervisor

Sheila Smith

Clerk

Melody Shappee

Treasurer

Darlene Beardslee

Trustee

Gordon Stuk

Trustee

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## Independent Auditors' Report

Township Board  
Belvidere Township  
Montcalm County, Michigan

We have audited the accompanying general purpose financial statements of Belvidere Township as of and for the year ended March 31, 2004, as listed in the table of contents. These general purpose financial statements are the responsibility of Belvidere Township's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Belvidere Township as of March 31, 2004, and the results of its operations for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, account group financial statements, and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of Belvidere Township. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*Yeo & Yeo, P.C.*

Alma, Michigan  
May 12, 2004

**Belvidere Township**  
**Combined Balance Sheet**  
**All Funds**  
**March 31, 2004**

	Governmental Funds		Fiduciary Fund	Account Group	Totals (Memorandum only)
	General	Special Revenue	Agency Fund	General Fixed Assets	
<b>Assets</b>					
Cash and cash equivalents	\$ 698,559	\$ 320,738	\$ 3,476	\$ -	\$ 1,022,773
Prepaid expenses	1,097	-	-	-	1,097
Taxes receivable	-	-	47	-	47
Due from state	38,841	-	-	-	38,841
Due from Montcalm county	7,395	16,908	-	-	24,303
Due from Tax fund	3,073	-	-	-	3,073
Land and buildings	-	-	-	273,581	273,581
Office equipment	-	-	-	10,095	10,095
Fire equipment	-	-	-	267,768	267,768
Other equipment	-	-	-	54,164	54,164
<b>Total assets</b>	<b>\$ 748,965</b>	<b>\$ 337,646</b>	<b>\$ 3,523</b>	<b>\$ 605,608</b>	<b>\$ 1,695,742</b>
<b>Liabilities and Fund Balance</b>					
<b>Liabilities</b>					
Accounts payable	\$ 4,482	\$ -	\$ -	\$ -	\$ 4,482
Accrued wages payable	3,534	-	-	-	3,534
Due to General fund	-	-	3,073	-	3,073
Due to Cato township	-	-	450	-	450
<b>Total liabilities</b>	<b>8,016</b>	<b>-</b>	<b>3,523</b>	<b>-</b>	<b>11,539</b>
<b>Fund balance</b>					
Investment in general fixed assets	-	-	-	605,608	605,608
Unreserved	740,949	337,646	-	-	1,078,595
<b>Total fund balance</b>	<b>740,949</b>	<b>337,646</b>	<b>-</b>	<b>605,608</b>	<b>1,684,203</b>
<b>Total liabilities and fund balance</b>	<b>\$ 748,965</b>	<b>\$ 337,646</b>	<b>\$ 3,523</b>	<b>\$ 605,608</b>	<b>\$ 1,695,742</b>

**Belvidere Township**  
**Combined Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**  
**All Governmental Funds**  
**For the Year Ended March 31, 2004**

	Governmental Funds		Total (Memorandum only)
	General	Special Revenue	
Revenues			
Taxes	\$ 66,143	\$ 180,548	\$ 246,691
Administration fees	22,257	-	22,257
Licenses and permits	3,050	-	3,050
State revenue sharing	189,176	-	189,176
Charges for services	11,753	-	11,753
Rentals	15,035	-	15,035
Interest	8,205	2,953	11,158
Other	4,187	-	4,187
Total revenues	<u>319,806</u>	<u>183,501</u>	<u>503,307</u>
Expenditures			
Legislative	33,734	-	33,734
General government	91,687	-	91,687
Public safety	35,773	55,000	90,773
Public works	56,730	-	56,730
Culture and recreation	16,889	114,960	131,849
Total expenditures	<u>234,813</u>	<u>169,960</u>	<u>404,773</u>
Excess of revenues over expenditures	84,993	13,541	98,534
Fund balance, beginning of year	<u>655,956</u>	<u>324,105</u>	<u>980,061</u>
Fund balance, end of year	<u>\$ 740,949</u>	<u>\$ 337,646</u>	<u>\$ 1,078,595</u>

See Accompanying Notes to Financial Statements

**Belvidere Township**  
**Combined Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**  
**All Governmental Funds**  
**For the Year Ended March 31, 2004**

	General Fund			Special Revenue Fund		
	Budget	Actual	Over (Under) Budget	Budget	Actual	Over (Under) Budget
<b>Revenues</b>						
Taxes	\$ 66,400	\$ 66,143	\$ (257)	\$ 166,000	\$ 180,548	\$ 14,548
Administration fees	22,000	22,257	257	-	-	-
Licenses and permits	4,000	3,050	(950)	-	-	-
State revenue sharing	230,000	189,176	(40,824)	-	-	-
Charges for services	12,100	11,753	(347)	-	-	-
Rentals	12,500	15,035	2,535	-	-	-
Interest	8,000	8,205	205	-	2,953	2,953
Other	3,000	4,187	1,187	-	-	-
<b>Total revenues</b>	<b>358,000</b>	<b>319,806</b>	<b>(38,194)</b>	<b>166,000</b>	<b>183,501</b>	<b>17,501</b>
<b>Expenditures</b>						
Legislative	45,000	33,734	(11,266)	-	-	-
General government	96,600	91,687	(4,913)	-	-	-
Public safety	65,000	35,773	(29,227)	55,000	55,000	-
Public works	97,100	56,730	(40,370)	-	-	-
Culture and recreation	18,000	16,889	(1,111)	110,000	114,960	4,960
<b>Total expenditures</b>	<b>321,700</b>	<b>234,813</b>	<b>(86,887)</b>	<b>165,000</b>	<b>169,960</b>	<b>4,960</b>
Excess of revenues over expenditures	36,300	84,993	48,693	1,000	13,541	12,541
Fund balance, beginning of year	655,956	655,956	-	324,105	324,105	-
Fund balance, end of year	\$ 692,256	\$ 740,949	\$ 48,693	\$ 325,105	\$ 337,646	\$ 12,541

See Accompanying Notes to Financial Statements



**Belvidere Township**  
**Notes to Financial Statements**  
**March 31, 2004**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Township is located in Montcalm County, Michigan. The Township operates under a township board comprised of five (5) members and provides services to its residents in many areas including public safety, highways and streets, culture-recreation, public improvements and general administrative services.

**(a) REPORTING ENTITY**

The accompanying general purpose financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board (GASB) for determining the various governmental organizations to be included in the reporting entity. The Township is the primary government which has oversight responsibility and control over all activities. The Township receives funding from local and state government sources and must comply with the concomitant requirements of these funding source entities. As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the Township (the primary government) and does not include any other component within its general purpose financial statements.

**(b) FUND ACCOUNTING**

The accounts of the Township are organized on the basis of funds. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, fund balance, revenues, and expenditures, or expenses, as appropriate. The various funds are grouped as follows in the financial statements.

**GOVERNMENTAL FUNDS**

**GENERAL FUND**

The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

**SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

**FIDUCIARY FUND**

**TRUST FUND**

The Fiduciary Fund is used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a Nonexpendable Trust Fund or an Expendable Trust Fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the Trust principal.

**ACCOUNT GROUP**

**GENERAL FIXED ASSET ACCOUNT GROUP**

The General Fixed Assets Account Group is used to account for fixed assets used in governmental funds operations.

**Belvidere Township**  
**Notes to Financial Statements**  
**March 31, 2004**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(c) BASIS OF ACCOUNTING AND MEASUREMENT FOCUS (concluded)**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. All Governmental Funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. "Measurable" means the amount of the transaction can be determined. "Available" is defined as being collectible within 60 days of year end. Expenditures are generally recognized when the related fund liability is incurred.

**(d) PROPERTY TAX REVENUES**

The property tax levy runs from January 1 to December 31. Property taxes become a lien on the last day of the levy year and are due on or before February 14 with the final collection date of February 28. Real property taxes uncollected as of February 28 are purchased by the County of Montcalm and remitted to the Township. Collection of delinquent personal property taxes remain the responsibility of the Township Treasurer.

Property taxes are recognized in the accounting period when they become measurable and available to finance operations. Available means when due, or past due and receivable within the current period and collected no longer than 60 days after the close of the current period. Property taxes not deemed collectible within this period are recorded as deferred revenue.

The assessed Taxable Value for the Township for the 2003 tax levy is as follows:

Real and Personal Property	\$ 68,321,134
----------------------------	---------------

The Township levied millage for taxes as follows:

General Operating	.8705 Mills
Roads	.9000 Mills
Refuse	.4352 Mills
Refuse	1.3059 Mills

**(e) BUDGETS AND BUDGETARY ACCOUNTING**

The Township follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Township Supervisor submits to the Township Board a proposed budget at the meeting in March. The budget includes proposed expenditures and means of financing them.
2. A public hearing is conducted at the Township Hall to obtain taxpayer comments. The budget is approved by the Township Board prior to March 31.
3. The budget for all funds is adopted on a basis consistent with accounting principles generally accepted in the United States of America.
4. Appropriations lapse at year end.
5. Budgeted amounts are as originally adopted and subsequently amended by the Township Board.

**Belvidere Township**  
**Notes to Financial Statements**  
**March 31, 2004**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)**

**(f) PREPAID EXPENSES**

It is the policy of the Township not to record prepaid expenses. This treatment does not materially affect the financial statements when taken as a whole.

**(g) ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reporting of certain assets, liabilities, revenues and expenditures. Actual results may differ from estimated amounts.

**(h) GENERAL FIXED ASSETS**

All fixed assets are stated at cost or estimated historical cost if actual historical cost was not available. Donated fixed assets are valued at their estimated fair value on the date donated. Assets in the General Fixed Assets Account Group are not depreciated. Public domain general fixed assets or infrastructure (e.g., roads, bridges, sidewalks and other assets that are immovable and of value only to the Township) are not capitalized.

**(i) ENCUMBRANCES**

Encumbrances involving the current recognition of purchase orders, contracts and other commitments for future expenditures are not recorded.

**(j) TOTAL COLUMNS ON COMBINED STATEMENTS**

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**(k) FUTURE CHANGES IN ACCOUNTING STANDARDS**

The Governmental Accounting Standards Board has issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This new reporting standard will impact the Township's revenue and expenditure recognition; and assets, liabilities and fund equity reporting. The new standard will also require reformatting of the financial statements and restating beginning balances. The Township is required to implement the new reporting model for the fiscal year ending March 31, 2005. Due to the significance of the changes required, it is not possible to present pro-forma data prior to implementation.

**Belvidere Township**  
**Notes to Financial Statements**  
**March 31, 2004**

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**NOTE 2 - CASH AND INVESTMENTS**

The carrying amount of the Township's deposits with financial institutions was \$ 1,022,773. This amount is classified as cash and cash equivalents. At year end, bank deposits amounted to \$ 1,024,673. Of that amount, \$ 100,000 was covered by federal depository insurance and \$ 924,673 was uninsured and uncollateralized.

The above investments complied with the State of Michigan Public Act 196 of 1997.

At year end, fair value of cash and investments is not materially different from the reported amounts.

**NOTE 3 - CHANGES IN GENERAL FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance April 1, 2003	Additions	Deletions	Balance March 31, 2004
Land and Building	\$ 273,581	\$ -	\$ -	\$ 273,581
Office Furniture	10,095	-	-	10,095
Fire Equipment	260,037	7,731	-	267,768
Other Equipment	55,851	3,249	4,936	54,164
	<u>\$ 599,564</u>	<u>\$ 10,980</u>	<u>\$ 4,936</u>	<u>\$ 605,608</u>

**NOTE 4 - RISK MANAGEMENT**

The Township is exposed to various risks of loss related to torts, theft of, damage of and destruction of assets, errors and omissions, and natural disasters for which the government carries commercial insurance.

**NOTE 5 - RELATED PARTY TRANSACTIONS**

In the course of operations, the Township has engaged in certain related party transactions. Procedures for related party transactions include obtaining competitive bids, board discussion and approval (with the exclusion of the related party), and disclosure in the financial statements, if material. For the year ended March 31, 2004, related party transactions were not material to the financial statements taken as a whole.

**Belvidere Township**  
**Notes to Financial Statements**  
**March 31, 2004**

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**NOTE 6 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

Michigan Public Act 621 of 1978, Section 18(1), as amended, provides that a local government unit shall not incur expenditures in excess of the amount appropriated. During the year ended March 31, 2004, the Township incurred expenditures in the Special Revenue Funds in excess of the amount appropriated as follows:

<u>FUND</u>	<u>Total Appropriation</u>	<u>Amount Expended</u>	<u>Unfavorable Variance</u>
Special Revenue			
Culture and recreation	110,000	114,960	4,960

**Belvidere Township**  
**General Fund**  
**Statement of Expenditures - Budget and Actual**

	For the Year Ended March 31, 2004		
	Budget	Actual	Over (Under) Budget
Legislative			
Township board	\$ 45,000	\$ 33,734	\$ (11,266)
General government			
Supervisor	6,600	6,763	163.00
Elections	2,500	55	(2,445)
Assessor	24,000	20,816	(3,184)
Clerk	15,000	14,177	(823)
Community building	8,000	7,008	(992)
Board of Review	2,500	808	(1,692)
Treasurer	14,000	21,311	7,311
Cemetery	24,000	20,749	(3,251)
Total general government	96,600	91,687	(4,913)
Public safety			
Fire	40,000	22,046	(17,954)
Zoning	25,000	13,727	(11,273)
Total public safety	65,000	35,773	(29,227)
Public works			
Street lighting	97,100	3,580	(93,520)
Road maintenance	-	9,244	9,244
Contract service	-	43,746	43,746
Miscellaneous	-	160	160
Total public works	97,100	56,730	(40,370)
Recreation and cultural			
Recreation parks	18,000	16,889	(1,111)
Total expenditures	\$ 321,700	\$ 234,813	\$ (86,887)

**Belvidere Township  
Special Revenue Funds  
Combining Balance Sheet  
March 31, 2004**

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	<u>Road Fund</u>	<u>Refuse Collection Fund</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 68,911	\$ 251,827	\$ 320,738
Due from other governments	<u>5,761</u>	<u>11,147</u>	<u>16,908</u>
Total assets	<u>\$ 74,672</u>	<u>\$ 262,974</u>	<u>\$ 337,646</u>
Fund balance			
Undesignated	<u>\$ 74,672</u>	<u>\$ 262,974</u>	<u>\$ 337,646</u>
Total fund balance	<u>\$ 74,672</u>	<u>\$ 262,974</u>	<u>\$ 337,646</u>

**Belvidere Township**  
**Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**  
**For the Year Ended March 31, 2004**

	Road Fund	Refuse Collection Fund	Total
Revenues			
Taxes - current	\$ 61,522	\$ 119,026	\$ 180,548
Interest	409	2,544	2,953
Total revenues	<u>61,931</u>	<u>121,570</u>	<u>183,501</u>
Expenditures			
Highways, streets and bridges	55,000	-	55,000
Refuse collection and disposal	-	114,960	114,960
Total expenditures	<u>55,000</u>	<u>114,960</u>	<u>169,960</u>
Excess of revenues over expenditures	6,931	6,610	13,541
Fund balance, beginning of year	<u>67,741</u>	<u>256,364</u>	<u>324,105</u>
Fund balance, end of year	<u>\$ 74,672</u>	<u>\$ 262,974</u>	<u>\$ 337,646</u>



**Belvidere Township**  
**Road Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

	For the Year Ended March 31, 2004		
	Budget	Actual	Over (Under) Budget
Revenues			
Property taxes - current	\$ 56,000	\$ 61,522	\$ 5,522
Interest	-	409	409
Total revenues	<u>56,000</u>	<u>61,931</u>	<u>5,931</u>
Expenditures			
Highways, streets and bridges			
Contracted services	<u>55,000</u>	<u>55,000</u>	-
Excess of revenues over expenditures	1,000	6,931	5,931
Fund balance, beginning of year	<u>67,741</u>	<u>67,741</u>	-
Fund balance, end of year	<u>\$ 68,741</u>	<u>\$ 74,672</u>	<u>\$ 5,931</u>

**Belvidere Township**  
**Refuse Collection Fund**  
**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance - Budget and Actual**

	For the Year Ended March 31, 2004		
	Budget	Actual	Over (Under) Budget
Revenues			
Property taxes	\$ 110,000	\$ 119,026	\$ 9,026
Interest	-	2,544	2,544
Total revenues	110,000	121,570	11,570
Expenditures			
Refuse collection and disposal			
Contracted services	110,000	114,623	4,623
Miscellaneous	-	337	337
Total expenditures	110,000	114,960	4,960
Excess of revenues over expenditures	-	6,610	6,610
Fund balance, beginning of year	256,364	256,364	-
Fund balance, end of year	\$ 256,364	\$ 262,974	\$ 6,610